



Rep. Mary E. Flowers

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LRB095 01217 MJR 35556 a

1 AMENDMENT TO HOUSE BILL 2293

2 AMENDMENT NO. _____. Amend House Bill 2293 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Currency Exchange Act is amended by
5 changing Sections 1, 4.3, 8, and 19.3 and by adding Sections
6 2.5 and 2.7 as follows:

7 (205 ILCS 405/1) (from Ch. 17, par. 4802)

8 Sec. 1. Definitions; application of Act. For the purposes
9 of this Act: "Community currency exchange" means any person,
10 firm, association, partnership, limited liability company, or
11 corporation, except an ambulatory currency exchange as
12 hereinafter defined, banks incorporated under the laws of this
13 State and National Banks organized pursuant to the laws of the
14 United States, engaged in the business or service of, and
15 providing facilities for, cashing checks, drafts, money orders
16 or any other evidences of money acceptable to such community

1 currency exchange, for a fee or service charge or other
2 consideration, or engaged in the business of selling or issuing
3 money orders under his or their or its name, or any other money
4 orders (other than United States Post Office money orders,
5 Postal Telegraph Company money orders, or Western Union
6 Telegraph Company money orders), or engaged in both such
7 businesses, or engaged in performing any one or more of the
8 foregoing services.

9 "Ambulatory Currency Exchange" means any person, firm,
10 association, partnership, limited liability company, or
11 corporation, except banks organized under the laws of this
12 State and National Banks organized pursuant to the laws of the
13 United States, engaged in one or both of the foregoing
14 businesses, or engaged in performing any one or more of the
15 foregoing services, solely on the premises of the employer
16 whose employees are being served.

17 "Location" when used with reference to an ambulatory
18 currency exchange means the premises of the employer whose
19 employees are or are to be served by an ambulatory currency
20 exchange.

21 "Director" means the Director of Financial Institutions.

22 "Payday loan" shall have the same meaning as in the Payday
23 Loan Reform Act.

24 "Public utility" shall have the same meaning as in the
25 Public Utilities Act.

26 "Refund anticipation loan" shall have the same meaning in

1 the Tax Refund Anticipation Loan Disclosure Act.

2 Nothing in this Act shall be held to apply to any person,
3 firm, association, partnership, limited liability company, or
4 corporation who is engaged primarily in the business of
5 transporting for hire, bullion, currency, securities,
6 negotiable or non-negotiable documents, jewels or other
7 property of great monetary value and who in the course of such
8 business and only as an incident thereto, cashes checks,
9 drafts, money orders or other evidences of money directly for,
10 or for the employees of and with the funds of and at a cost only
11 to, the person, firm, association, partnership, limited
12 liability company, or corporation for whom he or it is then
13 actually transporting such bullion, currency, securities,
14 negotiable or non-negotiable documents, jewels, or other
15 property of great monetary value, pursuant to a written
16 contract for such transportation and all incidents thereof, nor
17 shall it apply to any person, firm, association, partnership,
18 limited liability company, or corporation engaged in the
19 business of selling tangible personal property at retail who,
20 in the course of such business and only as an incident thereto,
21 cashes checks, drafts, money orders or other evidences of
22 money.

23 (Source: P.A. 90-545, eff. 1-1-98.)

24 (205 ILCS 405/2.5 new)

25 Sec. 2.5. State business with currency exchanges. No State

1 agencies shall enter into or renew any contracts with any
2 community currency exchange or ambulatory currency exchange
3 for any business if the community currency exchange or
4 ambulatory currency exchange fails to agree to limit any
5 required transaction fees for accepting utility bill payments
6 to no higher than \$0.75 per payment. Each community currency
7 exchange and ambulatory currency exchange bidding for any State
8 business shall, as part of its application, provide copies of
9 any contracts it maintains with public utilities showing that
10 no fees in excess of those in this Section shall be accepted or
11 required by the community currency exchange or ambulatory
12 currency exchange.

13 (205 ILCS 405/2.7 new)

14 Sec. 2.7. State agencies and exclusive agreements. No State
15 agency shall enter into an exclusive agreement with a community
16 currency exchange or ambulatory currency exchange or exchanges
17 for the delivery of any service unless the State agency shall
18 make a determination that there is no other economically
19 feasible method of providing the contracted-for service.

20 (205 ILCS 405/4.3) (from Ch. 17, par. 4811)

21 Sec. 4.3. Upon receipt of an application from an ambulatory
22 currency exchange for the conduct of its business at a location
23 to be served by it, the Director of Financial Institutions
24 shall cause an investigation to be made to determine whether to

1 issue said license. No fee shall be charged for the
2 investigation of an application for a location license. The
3 Director shall employ the following criteria in making his
4 determination:

5 (1) the economic benefit and convenience to the persons to
6 be served at the location for which a license has been
7 requested;

8 ~~(2) the effect that granting a license will have on the~~
9 ~~financial stability of community currency exchanges;~~

10 (2) ~~(3)~~ safety benefits, if any, which may accrue from the
11 granting of the location license;

12 (3) ~~(4)~~ the effects, if any, which granting of a license
13 will have on traffic, and traffic congestion in the immediate
14 area of the location to be served;

15 (4) the availability of free or reduced-cost checking
16 account services within the community to be served by the
17 license; and

18 (5) such other factors as the Director shall deem proper
19 and relevant.

20 (Source: P.A. 85-1356.)

21 (205 ILCS 405/8) (from Ch. 17, par. 4815)

22 Sec. 8. A community or an ambulatory currency exchange
23 shall not be conducted as a department of another business. It
24 must be an entity, financed and conducted as a separate
25 business unit. This shall not prevent a community or an

1 ambulatory currency exchange from leasing a part of the
2 premises of another business for the conduct of this business
3 on the same premises; provided, that no community currency
4 exchange shall be conducted on the same premises with a
5 business whose chief source of revenue is derived from the sale
6 of alcoholic liquor for consumption on the premises or whose
7 chief source of revenue is derived from the sale of payday
8 loans or refund anticipation loans; provided, further, that no
9 community currency exchange hereafter licensed for the first
10 time shall share any room with any other business, trade or
11 profession nor shall it occupy any room from which there is
12 direct access to a room occupied by any other business, trade
13 or profession.

14 (Source: Laws 1951, p. 562.)

15 (205 ILCS 405/19.3) (from Ch. 17, par. 4838)

16 Sec. 19.3. (A) The General Assembly hereby finds and
17 declares: community currency exchanges and ambulatory currency
18 exchanges provide important and vital services to Illinois
19 citizens. In so doing, they transact extensive business
20 involving check cashing and the writing of money orders in
21 communities in which banking services are generally
22 unavailable. Customers of currency exchanges who receive these
23 services must be protected from being charged unreasonable and
24 unconscionable rates for cashing checks and purchasing money
25 orders. The Illinois Department of Financial Institutions has

1 the responsibility for regulating the operations of currency
2 exchanges and has the expertise to determine reasonable maximum
3 rates to be charged for check cashing and money order
4 purchases. Therefore, it is in the public interest,
5 convenience, welfare and good to have the Department establish
6 reasonable maximum rate schedules for check cashing and the
7 issuance of money orders and to require community and
8 ambulatory currency exchanges to prominently display to the
9 public the fees charged for all services. The Director shall
10 review, each year, the cost of operation of the Currency
11 Exchange Division and the revenue generated from currency
12 exchange examinations and report to the General Assembly if the
13 need exists for an increase in the fees mandated by this Act to
14 maintain the Currency Exchange Division at a fiscally
15 self-sufficient level. The Director shall include in such
16 report the total amount of funds remitted to the State and
17 delivered to the State Treasurer by currency exchanges pursuant
18 to the Uniform Disposition of Unclaimed Property Act.

19 (B) The Director shall, by rules adopted in accordance with
20 the Illinois Administrative Procedure Act, expeditiously
21 formulate and issue schedules of reasonable maximum rates which
22 can be charged for check cashing and writing of money orders by
23 community currency exchanges and ambulatory currency
24 exchanges.

25 (1) In determining the maximum rate schedules for the
26 purposes of this Section the Director shall take into

1 account:

2 (a) Rates charged in the past for the cashing of
3 checks and the issuance of money orders by community
4 and ambulatory currency exchanges.

5 (b) Rates charged by banks or other business
6 entities for rendering the same or similar services and
7 the factors upon which those rates are based.

8 (c) The income, cost and expense of the operation
9 of currency exchanges.

10 (d) Rates charged by currency exchanges or other
11 similar entities located in other states for the same
12 or similar services and the factors upon which those
13 rates are based.

14 (e) Rates charged by the United States Postal
15 Service for the issuing of money orders and the factors
16 upon which those rates are based.

17 (f) A reasonable profit for a currency exchange
18 operation.

19 (g) The financial impact upon low-income customers
20 in the community.

21 (h) The availability of free or reduced-cost
22 checking account services within the community.

23 (2) (a) The schedule of reasonable maximum rates
24 established pursuant to this Section may be modified by the
25 Director from time to time pursuant to rules adopted in
26 accordance with the Illinois Administrative Procedure Act.

1 (b) Upon the filing of a verified petition setting
2 forth allegations demonstrating reasonable cause to
3 believe that the schedule of maximum rates previously
4 issued and promulgated should be adjusted, the Director
5 shall expeditiously:

6 (i) reject the petition if it fails to demonstrate
7 reasonable cause to believe that an adjustment is
8 necessary; or

9 (ii) conduct such hearings, in accordance with
10 this Section, as may be necessary to determine whether
11 the petition should be granted in whole or in part.

12 (c) No petition may be filed pursuant to subparagraph
13 (a) of paragraph (2) of subsection (B) unless:

14 (i) at least nine months have expired since the
15 last promulgation of schedules of maximum rates; and

16 (ii) at least one-fourth of all community currency
17 exchange licensees join in a petition or, in the case
18 of ambulatory currency exchanges, a licensee or
19 licensees authorized to serve at least 100 locations
20 join in a petition.

21 (3) Any currency exchange may charge lower fees than those
22 of the applicable maximum fee schedule after filing with the
23 Director a schedule of fees it proposes to use.

24 (Source: P.A. 91-16, eff. 7-1-99.)

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.".